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FCH NEWSLETTER

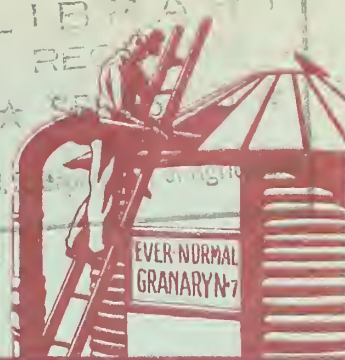
PUBLISHED BY

THE FEDERAL CROP INSURANCE CORPORATION
UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON, D.C.

August 21, 1940

Number 24



1941 Winter Wheat Sign-up Breaks All Records

LOSS SETTLEMENTS COMPLETED ON OVER 68,500 CONTRACTS

Bulk of Indemnities Will Go
To Growers in Winter
Wheat States

The indemnity phase of the 1940 crop insurance program is heading down the home stretch with 68,678 insured growers having been paid nearly 15 million bushels of indemnities through September 11.

Claims have been settled on losses caused by practically every hazard known to the wheat-growing industry--too much rain, not enough rain, too much hot dry weather, too much cold weather, not to mention insects, hail, fire, and a long string of other natural enemies which all took their toll.

All but 10,500 of the indemnities paid so far have been handled by the Kansas City branch office, nearly 44,000 of the payments made having gone to Kansas and Nebraska alone.

Indemnities paid now exceed 1940 premium collections by about 173,000 bushels. It is anticipated that the Corporation will have to dip consider-

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ably further into its cash reserve before all 1940 settlements have been made because of extremely heavy abandonment in the winter wheat belt, particularly in the States of Kansas and Nebraska.

Twenty-six of 33 states in which insurance was written in 1940 still have a healthy margin between premiums paid and indemnities collected by insured growers.

For a breakdown showing complete indemnity figures by branch offices and states turn to page 4.

DID YOU KNOW THAT more than 6 million farmers, operating 82 percent of the cropland of the United States are participating in the AAA Farm Program in 1940.

365,838 Growers Insured To
Produce 95,000,000
Bushels

With the door closed to the acceptance of any more 1941 winter wheat applications, 365,838 premium collections had been reported up to September 12. Although this figure is expected to go still higher as late reports come in, it is about 60,000 contracts higher than the total winter wheat sign-up last year, an increase of about 120 percent over the total winter and spring wheat sign-up in 1939.

Practically every winter wheat state has exceeded its last year's record. Nebraska, with 62,943 insured growers, is ahead in this respect. Kansas, with only a hundred more contracts than she had in 1940, has gone far over Nebraska's record this year for bushels of premiums paid, insured acreage, and insured production.

The wheat reserve with which to offset 1941 losses stood at a little more than 11½ million bushels on September 12.

Notable increases have taken place in some of the
(See RECORD SIGN-UP page 6)

Newsletter is designed to inform field workers of the A. A. A. and F. C. I. C. of developments in the crop insurance program and is not for general distribution.

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Branch Office Progress Report as of September 12, 1940
1941 PROGRAM

	Premiums collected number	Premium payments bushels	Acres	Estimated insured Production bushels
<u>Spokane</u>				
California	205	11,941	10,619	120,280
Idaho	4,922	169,971	210,659	3,418,247
Nevada	16	256	247	4,865
Oregon	4,939	225,224	234,220	3,707,042
Utah	3,103	64,766	63,791	878,253
Washington	3,782	230,816	325,086	5,224,679
Total	16,967	702,974	844,622	13,353,366
<u>Minneapolis</u>				
Minnesota	5,953	71,938	66,115	765,026
Montana	2,427	360,192	183,607	1,399,398
North Dakota	77	14,774	9,317	57,630
South Dakota	7,870	619,679	283,228	1,866,081
Wisconsin	691	4,609	4,179	49,205
Wyoming	1,150	128,826	77,897	480,051
Total	18,168	1,200,018	624,343	4,617,391
<u>Kansas City</u>				
Arkansas	38	415	755	5,031
Colorado	4,823	384,726	204,788	1,428,650
Kansas	60,675	3,502,662	2,490,135	21,221,642
Missouri	24,554	330,954	411,609	4,281,983
Nebraska	62,943	2,641,503	1,453,633	14,353,022
New Mexico	242	34,812	17,493	103,872
Oklahoma	24,261	800,338	872,932	7,657,348
Texas	10,143	1,023,777	596,880	4,066,832
Total	187,679	8,719,187	6,048,225	53,118,380
<u>Chicago</u>				
Illinois	37,802	493,654	566,849	7,281,202
Indiana	35,068	368,071	390,574	5,122,198
Iowa	7,485	111,225	101,168	1,308,141
Kentucky	428	7,685	8,573	89,205
Michigan	15,122	111,248	142,819	2,142,554
Ohio	33,295	329,416	346,491	4,968,584
Tennessee	210	2,044	3,543	30,693
Total	129,410	1,423,343	1,560,017	20,942,577
<u>Washington, D. C.</u>				
Delaware	623	5,974	10,862	138,675
Maryland	1,714	20,790	37,374	529,524
New Jersey	165	1,285	2,336	37,843
New York	1,040	8,680	12,680	204,181
North Carolina	458	3,005	5,465	60,967
Pennsylvania	7,119	50,617	84,398	1,316,978
West Virginia	90	1,069	1,944	23,421
Virginia	2,405	23,808	43,284	539,734
Total	13,614	115,228	198,343	2,851,323
GRAND TOTAL	365,838	12,160,750	9,275,550	94,883,037

UTAH SAYS GOOD SELLING DEMANDS SKILL AND TIMING

Interviews Always End In Sale;
You Sell Him Or He Sells
You a "NO"

A sales manual, entitled "All-Risk Notebook," designed to stimulate crop insurance sales, has been circulated by Utah.

It is a 6-page mimeographed pamphlet containing terse statements by former Secretary Wallace, Administrator R. M. Evans, and "Crop Insurance for Wheat Growers," with a foreword by Mr. Orville Lee, Utah crop insurance supervisor.

The foreword points out "service, not profit, is your object," and "remember, every interview ends in a sale--either he sells you with the idea he does not need insurance or you sell him a policy."

Ten explanations of what crop insurance means to wheat growers follow together with 20 reasons why salesmen fail. Among these 20 reasons are the following: not sold on his product; talks too low; unkempt appearance; stays too long; calls at the wrong time; talks too fast; talks at the buyer but looks at the ceiling; talks while the buyer is talking; presents proposition poorly; takes a belligerent attitude; takes an apologetic attitude; invites the prospect to say "no."

Continuing with the
(See UTAH page 6)

WE HAVE WITH US TODAY—



Mr. C. W. Kitchen

He has been with the Department of Agriculture almost 28 years. Now "Kitch"--that's his nickname but he doesn't remember how or when he got it --is a member of the board of directors for the Federal Crop Insurance Corporation. . . . And he started as a youth in the Department . . . Clerk and typist were his jobs then. Now, among others, he is an FCIC director . . . In addition he is chief of the Agricultural Marketing Service . . . He never dreamed of that when he was a boy in Ohio, where he was born in 1893. Kitch's present work involves some 20 administrative acts! . . . In between times he plays golf . . . (when he gets a chance) . . . By his own admission he isn't much of a golfer. But he likes it for exercise and getting out in the open . . . Confidentially, he has a
(See KITCHEN page 8)

ANNUAL COST OF ABANDONED CROPS IS \$31,000,000

Actual 10-Year Cost In Four
States Is 312 Million
Dollars

Acreage abandonment has cost wheat growers in Nebraska, Kansas, Oklahoma, and Texas more than 312 million dollars during the 10-year period from 1931 through 1940 according to figures compiled by the Bureau of Agricultural Economics. The average annual loss for these four states is thus a little over 31 million dollars but even if the average were projected back over a 30-year period the loss per year would be about the same insofar as it might affect the wheat-grower's annual income.

Much has been done in the way of improved seed, better farming practices, and so forth, to reduce the gap between acreages seeded to wheat and acreages harvested. But despite all such efforts, an average of about 25 percent abandonment occurs every year in the important wheat-growing states.

Crop insurance has gone a long way to reduce the adverse effects of abandonment but great possibilities still exist when 1939 and 1940 abandonment figures are compared with insured acreage figures for these 2 years. In this connection some figures are given on page 7 for Nebraska, Kansas, Oklahoma, and Texas.

INDEMNITY REPORT AS OF SEPTEMBER 11, 1940

1940 PROGRAM

State	Total indemnities paid (number)	Total contracts issued (number)	Total indemnities paid (bushels)	Total premiums received (bushels)	Estimated insured production (bushels)
WASHINGTON OFFICE					
Delaware	71	455	5,399	4,237	102,651
Maryland	72	1,265	4,829	15,137	368,465
New Jersey	4	112	264	598	17,945
New York	6	908	546	6,310	135,959
North Carolina	11	202	227	973	31,810
Pennsylvania	183	5,865	8,270	36,145	979,033
Virginia	55	1,176	2,681	10,262	251,231
Total	402	9,983	22,216	73,662	1,887,114
CHICAGO OFFICE					
Illinois	734	14,899	34,031	231,645	2,978,222
Indiana	2,385	28,374	95,167	306,647	3,937,604
Iowa	597	7,232	35,871	107,067	1,245,538
Kentucky	44	979	3,351	15,932	160,862
Michigan	574	15,945	20,041	93,297	1,881,248
Ohio	1,082	28,767	36,861	323,158	3,999,033
Tennessee	24	245	859	3,098	42,967
Total	5,440	96,441	226,181	1,080,844	14,246,476
KANSAS CITY OFFICE					
Colorado	207	3,709	57,726	264,453	1,071,005
Kansas	19,900	60,506	6,828,657	3,979,480	23,796,620
Missouri	2,432	21,687	117,585	271,225	3,536,890
Nebraska	23,853	57,244	3,853,115	2,113,769	13,161,925
New Mexico	39	62	20,003	12,817	34,210
Oklahoma	6,770	23,387	1,154,333	915,486	8,394,760
Texas	4,999	11,030	1,503,372	1,109,483	4,935,355
Total	58,202	177,625	13,534,791	8,666,713	54,930,765
MINNEAPOLIS OFFICE					
Minnesota	291	21,281	25,708	355,335	3,360,414
Montana	19	4,175	2,870	541,868	2,231,372
North Dakota	220	31,672	38,513	2,006,653	10,625,332
South Dakota	2,237	21,047	326,468	1,138,818	3,967,449
Wisconsin	5	558	156	3,237	38,360
Wyoming	188	1,285	49,547	129,136	530,769
Total	2,960	80,018	443,262	4,175,046	20,753,696
SPOKANE OFFICE					
California	947	2,152	541,766	168,888	2,331,618
Idaho	113	6,836	20,814	143,948	2,904,312
Nevada	19	107	1,854	2,113	36,999
Oregon	293	2,011	98,565	229,620	3,303,477
Utah	23	655	4,720	24,300	350,470
Washington	229	3,625	81,133	236,402	5,499,431
Total	1,674	15,386	748,852	805,271	14,426,307
GRAND TOTAL 1/	68,678	379,453	14,975,302	14,801,536	106,244,358

1/ This total includes only indemnities actually paid. It does not include payments due under the deferred settlement plan.

Crop Insurance Movie Is Nearing Completion

The crop insurance movie, telling the story of wheat, will be completed at an early date, Mr. Leroy K. Smith, general manager, says.

Selection of a title for the all-color and sound "production" will be made from suggestions advanced by employees of the Corporation. Final choice has not been made, so if you have any ideas send them in. Briefly, the movie will tell:

How wheat, sown and ground by hand, became increasingly important as a food and feed. It went west with the pioneers. The advent of modern machinery stepped up production and soon wheat growing became "big business."

At that stage in its development as a major crop, price and crop failures affected wheat growers with greater seriousness and with grave consequences. How American farmers themselves faced this situation is told vividly by the concluding scenes.

Scenes for the picture were shot in every state where wheat growing is a major farming business. Watch for later announcements about YOUR crop insurance movie!

DID YOU KNOW THAT wheat is an important source of cash income to more than one million farmers in the United States.

TIMELY IPS

Washington State is striving to boost sales through a mimeographed score sheet entitled "The Tortoise and the Hare," comparing Idaho and Washington sales volumes. A friendly contest between states.

* * *

OKLAHOMA USED A CIRCULAR LETTER HEADED "AN APPEAL TO REASON" WHICH WAS SENT ALL OKLAHOMA WHEAT GROWERS TO SPUR INSURANCE SALES. IT EMPHASIZED THE WINTER WHEAT CLOSING DATE.

* * *

Remember, crop insurance may some day be extended to other crops. Distribution of wheat insurance information in districts where wheat is NOT grown will help lay the groundwork for future insurance campaigns on other crops.

* * *

STATE LEAFLETS AND POSTERS CONTAINING INFORMATION AND ILLUSTRATIONS ABOUT LOCAL CONDITIONS ARE EFFECTIVE AND ECONOMICAL MEDIA FOR POINTING OUT THE MERITS OF ALL-RISK CROP INSURANCE.

* * *

Utah has issued a mimeographed manual to all county committeemen selling crop insurance. It lists 20 reasons why salesmen fail and the principles of selling. (See story on page 3.)

Russell County, Kans., Sets High 2-Day Mark

Nearly 300 applications a day is the record set by Russell County, Kans., this year. They kept up this pace for only two days, but that is something. Actually, 589 applications for 1941 crop insurance were received in the State office on July 31 from Russell County which had been written on two previous days.

In recognition of this fine record, the Kansas State office issued an illustrated congratulatory letter to Secretaries and County committeemen of other Kansas counties.

The letter pointed out that in only two days the Russell County boys had exceeded the total 1940 sign-up and emphasized, for the benefit of all counties, that August 31 was the closing date. Appropriately illustrating the letter was a sketch of an insurance worker walking into the AAA State office with a bundle of "Applications for Crop Insurance" under his arm.

As of August 29, Russell County had turned in 999 completed contracts insuring the production of nearly half a million bushels of wheat next year.

DID YOU KNOW THAT in 1938 approximately 49 percent of all wheat in the United States was harvested by the combine method, 47 percent by binder method, and 4 percent by other methods.

Insurance Prevents Black Rust Blackout

George Jacobs of Payne County, Okla., looked at his ripening wheatfield and from all appearances supposed it would go 25 or 30 bushels to the acre. Harvest time came but not the yield he expected. One acre yielded only 70 pounds of shrunken wheat because black rust had paid its silent and fatal respects. The Payne County AAA committee declared Mr. Jacob's crop to be a total loss so he got income this year from three-fourths of an average crop instead of a total blank.

UTAH

broad principles of selling, the booklet adds: The prerequisite of a successful salesman is not how fast he can talk." It lists five requirements of good salesmanship. Here they are:

1. Being thoroughly sold on crop insurance.
2. A thorough and complete understanding of crop insurance.
3. Determining if the insurance will serve a need.
4. A survey of the market--probable customers, and their eligibility.
5. Four steps in selling--attract prospect's attention, create an interest, build a desire, close the deal.

National defense is a good peg on which to pin crop insurance information releases for newspapers and magazines.

ON "SPOT LOSSES"

Rust, chinch bugs, weeds, and a couple of hot days took their toll at the last minute this year says a note from the Kansas State office. "Conditions throughout the State were very spotted, many cases being cited where, with only a fence dividing fields, production ranged from 5 to 40 bushels an acre."

Seed Distribution Plan Open To Kansas Farmers

A plan for distributing flat wheat reserves for seed has been worked out in the western part of Kansas. Under this plan, an amount of wheat necessary to seed his wheat acreage allotment at the rate of 30 pounds an acre will be distributed to the insured grower by the county committee.

Upon instructions by the committee, the branch office will issue a warehouse receipt for the amount of wheat necessary for seed purposes.

The flat wheat used is local country wheat stored at country terminal elevators and will be inspected by insured farmers and county committees to determine its suitability for seed. The balance of the indemnity payment will be made on an immediate cash settlement basis.

Latah County Does a Sign-up Blitzkrieg

Latah County, Washington, went to town this year with a bang!

The men there got more than 750 signatures on the dotted line in one flurry and wouldn't be satisfied with less than 800. That alone was four times as many contracts as were sold by Latah County last year.

Here's what Lowell Isaksen, assistant secretary of the Latah County association says:

"This is the first time we really gave the community committeemen-contact system a try. We signed practically all the crop insurance policies at Form 504 sign-up meetings. Community committeemen helped farmers sign their 504's as they came in. Then they explained 1941 crop insurance to them as a matter of course and approximately 90 percent took it out."

RECORD SIGN-UP

eastern branch states this year. For example, North Carolina and Virginia have more than doubled the 1940 sign-up. West Virginia, with no contracts last year, has sent in 90 payments for 1941 insurance. Illinois of the Chicago branch office made the greatest increase of all, going from 14,899 contracts in 1940 to well over 37,000 in 1941. The usual tabulation by states is on page 2.

ABANDONMENT DATA FOR 10-YEAR PERIOD 1931-40

Year	Seeded acreage	Abandoned acreage	Percentage abandoned	Value lost at - - -	Insured acreage	Total indem- nities paid* (bushels)
<u>N E B R A S K A</u> <u>\$4.66 per acre</u>						
1931	3,504,000	210,000	6	\$ 978,600	- -	- -
1932	3,120,000	1,045,000	33	4,869,700	- -	- -
1933	2,890,000	867,000	30	4,040,220	- -	- -
1934	3,063,000	978,000	32	4,557,480	- -	- -
1935	3,217,000	617,000	19	2,875,220	- -	- -
1936	3,474,000	536,000	15	2,497,760	- -	- -
1937	4,412,000	1,151,000	26	5,363,660	- -	- -
1938	4,721,000	319,000	7	1,486,540	- -	- -
1939	3,824,000	743,000	19	3,462,380	427,000	1,278,000
1940	3,174,000	699,000	30	3,257,340	1,259,000	3,603,000
Total	35,399,000	7,165,000	- -	\$ 33,388,900	1,686,000	4,881,000
<u>K A N S A S</u> <u>\$4.47 per acre</u>						
1931	13,884,000	275,000	2	\$ 1,229,250	- -	- -
1932	12,945,000	2,598,000	20	11,613,060	- -	- -
1933	13,205,000	5,859,000	44	26,189,730	- -	- -
1934	12,677,000	4,082,000	32	18,246,540	- -	- -
1935	13,438,000	6,562,000	49	29,332,140	- -	- -
1936	14,244,000	3,792,000	27	16,950,240	- -	- -
1937	17,104,000	3,934,000	23	17,584,980	- -	- -
1938	16,933,000	2,446,000	14	10,933,620	- -	- -
1939	13,885,000	4,179,000	30	18,680,130	882,000	1,744,000
1940	12,913,000	5,158,000	44	23,056,260	2,863,000	6,591,000
Total	141,228,000	38,885,000	- -	\$173,815,950	3,745,000	8,335,000
<u>O K L A H O M A</u> <u>\$4.70 per acre</u>						
1931	4,615,000	208,000	5	\$ 977,600	- -	- -
1932	4,407,000	441,000	10	2,072,700	- -	- -
1933	4,419,000	1,326,000	30	6,232,200	- -	- -
1934	4,317,000	774,000	18	3,637,800	- -	- -
1935	4,726,000	1,418,000	30	6,659,900	- -	- -
1936	4,845,000	1,405,000	28	6,603,500	- -	- -
1937	5,622,000	1,012,000	18	4,756,400	- -	- -
1938	6,300,000	693,000	11	3,257,100	- -	- -
1939	4,851,000	534,000	11	2,509,800	464,000	477,000
1940	5,094,000	1,209,000	28	5,682,300	978,000	1,139,000
Total	49,196,000	9,020,000	- -	\$ 42,389,300	1,442,000	1,616,000
<u>T E X A S</u> <u>\$3.72 per acre</u>						
1931	4,594,000	208,000	5	\$ 773,760	- -	- -
1932	4,710,000	1,201,000	25	4,467,720	- -	- -
1933	4,784,000	2,679,000	56	9,965,880	- -	- -
1934	4,549,000	1,455,000	32	5,412,600	- -	- -
1935	4,267,000	3,228,000	66	12,008,160	- -	- -
1936	5,062,000	2,604,000	51	9,686,880	- -	- -
1937	5,315,000	1,382,000	26	5,141,040	- -	- -
1938	5,368,000	1,474,000	27	5,483,280	- -	- -
1939	3,919,000	1,154,000	29	4,292,880	347,000	1,018,000
1940	4,154,000	1,527,000	30	5,680,440	705,000	1,485,000
Total	47,322,000	16,912,000	- -	\$ 62,912,640	1,052,000	2,503,000
GRAND TOTAL	273,145,000	71,982,000	- -	\$312,506,790	7,925,000	17,335,000

* As of September 6, 1940

Hail Helps Sell FCI To Wyoming Farmers

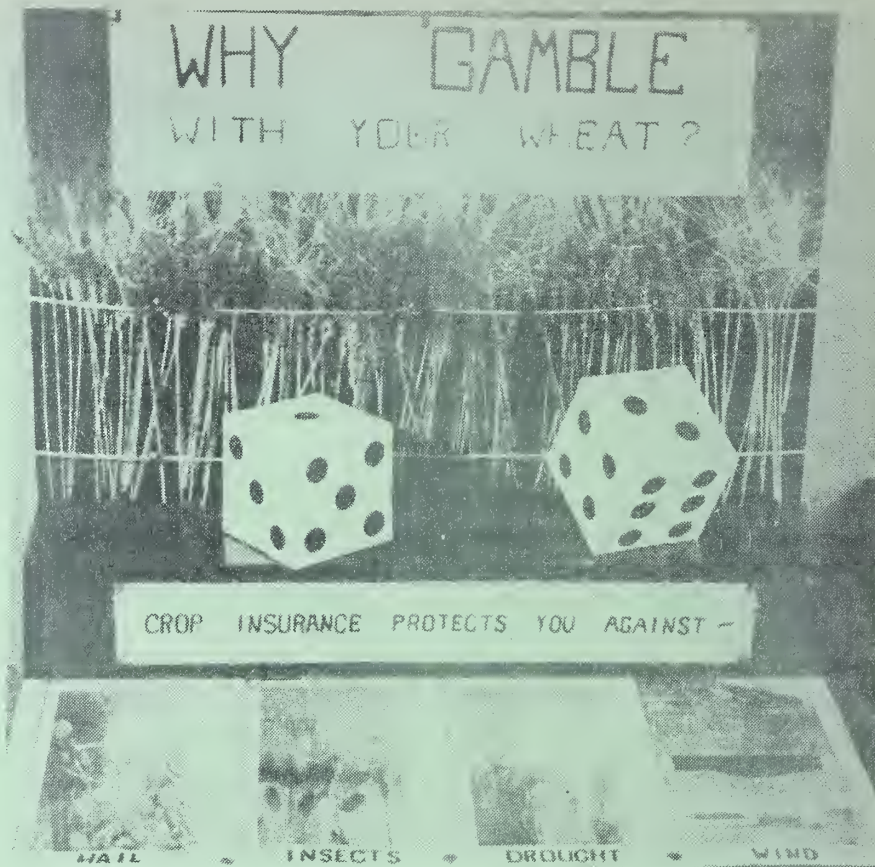
The prattle of hailstones on hard winter wheat served as Publicity Agent No. 1 in Wyoming's 1941 sign-up campaign last month. Just as Wyoming wheat growers were preparing to harvest, and crop insurance workers were starting out to sell crop insurance, devastating hailstorms swept through several areas of the State beating into the ground many fine stands of wheat.

Some of the stricken acreage was protected by all-risk insurance. Some wasn't. The loss emphasized to all growers the need for protecting their income right at a time when complete protection was being offered. A few drought and other natural-hazard losses in the State made the case more convincing in favor of taking out all-risk insurance with the result that business became very brisk.

Indications are that total 1941 contracts written in Wyoming will exceed 1940 by a comfortable margin.

FCI-111-W TO PRINTER

Copy for Sections XV and XVI of the county application procedure, the part having to do with notices of seeding, has gone to the printer. Delivery has been requested by September 25. Final proofs on Forms FCI-119-W and 122-W have been approved.



The above-pictured exhibit is a creation of the AAA office in Parmer County, Texas. Its use no doubt helped to double the sign-up in Parmer this year.

Alton Helps a Grower And the Program Too

Persuaded by Jess Alton not to abandon his acreage last April, an insured Iowa farmer told Alton in June:

"Thanks to you, Alton. If I hadn't had that crop insurance I would have plowed up that wheat and gone out of the AAA Program; but as it is, because of the persuasion of you folks, I was able to harvest a 25-bushel crop of wheat, and even though I didn't collect anything off you this year I am sure glad I had crop insurance and I will be with you next year."

KITCHEN

weakness for T-bone steaks . . . Kitch has to do a lot of reading in connection with his marketing service position because it involves supervision of crop and livestock reporting services; market news service; farm products standardization and inspection services, and, of course, the administration of some 20 laws . . . Yet he still likes to read . . . Historical biographies are his dish . . . In between all this he finds time to do a bang-up job as FCIC director.

(This is the second in a series of thumb-nail sketches. The third will appear in the next issue.)